GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4761
ANSWERED ON:25.04.2008
IT EVASION
Renge Patil Shri Tukaram Ganpatrao

Will the Minister of FINANCE be pleased to state:

(a) tiie details of cases of evasion of income tax detected by the Income tax Department during each of the last three years;

(b) the value of such tax evaded, eommissionarate wise;

(c) whether the brokers and stock exchanges have also been found involved therein and raids conducted by the Government against them;

(d) if so, the amount of black money recovered in these raids; and

(e) the further steps taken by the Government to check evasion of Income tax?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) & (b): Detection of evasion of Income tax by the Income tax Department is a continuous and ongoing process. Various measures under the Direct tax laws such as Search, Survey, Collection of information, Scrutiny of returns of In-come etc. are undertaken to detect evasion of income tax. The findings of the Income tax Department in this regard are subjected to appeal before various appellate authorities and courts. The amount of undisclosed income detected ssrsd the tax component thereof can be finally known, when all appeals etc. are finalised. In view of these facts, it is not possible to exactly quantify and bulate the details of cases of tax evasion detected and quantum of such evasion.

(c) & (d): The Government does not maintain a central data base regarding tax evasion detected or raids /searches conducted in respect of any particular sssgory or class of persons including Brokers and Stock exchanges. Whenever any instance of tax evasion comes to the notice of the Government, appropriate action under the law is taken.

(e): The Government takes several punitive and deterrent steps to check evasion of income tax, which include scrutiny of returns, survey, search and seizure action, imposition of penalty and launching of prosecution in appropriate cases. Furnishing of Annual Information Returns as prescribed under section 285 BA of the Income Tax Act, 1961 and furnishing of quarterly returns of payment of interest without deduction of tax as prescribed under section 206A of the Income tax Act 1961, are also measures introduced by the Government towards checking Tax Evasion.